## Call (Put) Warrants

In June 1997, TWSE promulgated "Taiwan Stock Exchange Corporation Rules Governing Trading of Call (Put) Warrants." In the same year, the Company planed book-entry operations regarding trading and exercise of call (put) warrants in cooperation with TWSE.

Derivatives are an indispensable and important tools for the securities market. With the progress of financial liberalization and internationalization in Taiwan, when the securities market has reached a certain degree of maturity, the introduction of derivatives has become an inevitable trend. In June 1997, TWSE promulgated "Taiwan Stock Exchange Corporation Rules Governing Trading of Call (Put) Warrants." In the same year, the Company planed book-entry operations regarding trading and exercise of call (put) warrants in cooperation with TWSE. Also, to meet the needs of the issuer's of automatic warrants exercise, resale on the due day, and compensation delivery for the matured warrants, offering the issuer and investors to complete the listing, allotment, exercise, and automatic exercise on the due day or the resale of call (put) warrants.

## Book-entry and Allotment of Listing Call (Put) Warrants

The issuer prepares the register information of the holders of the call (put) warrants and relevant documents and follows the procedures for the book-entry and allotment of the securities to transfer the call (put) warrants to the holder's depository and clearing account.

## Holders' Application for Exercise of Call (Put) Warrants

Call (put) warrants holders complete relevant documents and apply to their participants for exercise call(put) warrants.

## Issuers' Application for Cancellation of Call (Put) Warrants

Call (put) warrants issuers complete relevant documents and apply to their participants for cancellation.

## Automatic Performance or Resale of Call (Put) Warrants

When the call (put) warrants expire, TDCC will automatically resell the balance on the holder's account. In the case of cash settlement, the Company will calculate whether are in-the-money and provide participants with settlement-related information for participants with value.

For detailed operation procedures, please refer to "Taiwan Depository & Clearing Corporation Directions for the Handling by Participants of Book-Entry Operations for Call (Put) Warrants" on the official website of the Taiwan Depository & Clearing Corporation, under the Regulations-Securities category.